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## DIGEST

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Bobby Badon

HB No. 540

**Abstract:** Regarding the Firefighters' Retirement System, extends the period for amortizing actuarial gains and losses incurred for the five-year period after July 1, 2009, from 15 years to 20 years, with the period decreasing by one numerical year for each succeeding fiscal year, until the amortization period once again attains 15 years.

Present law generally provides for determination of employer contributions for all statewide public retirement systems.

Present law provides that, for each fiscal year, for each statewide retirement system, the actuarially required employer contribution shall be that dollar amount equal to the sum of: (a) the employer's normal cost for that fiscal year; (b) the projected non-investment related administrative expenses for the fiscal year; (c) that fiscal year's payment necessary to amortize the previous years' shortfall amounts, if any; and (d) that fiscal year's payment necessary to amortize the unfunded accrued liability.

Present law provides that the employer contribution must also include that fiscal year's payment necessary to amortize changes in actuarial liability due to actuarial gains and losses for each fiscal year, with such payments being calculated as level dollar amounts over a period of 15 years from the year of occurrence of each such actuarial gain or loss, and such gains and losses to include any increases in actuarial liability due to governing authority granted cost-of-living increases.

Proposed law relative to only the Firefighters' Retirement System, provides that for each fiscal year beginning on or after July 1, 2009, payments for actuarial gains and losses must be calculated as level dollar amounts over a 20-year period from the fiscal year of occurrence; each year thereafter the amortization period shall decrease by one year each fiscal year until attaining a 15-year amortization period. Such gains and losses shall include any increases in actuarial liability resulting from the governing authority granting cost-of-living increases.

Effective July 1, 2009.

(Amends R.S. 11:103(B)(3)(introductory paragraph) and (e)(introductory paragraph) and (i)(aa); Adds R.S. 11:103(B)(3)(e)(i)(cc))